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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-48506

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 11/01/18 AND ENDING 10/31/19
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DOUGLAS SCOTT SECURITIES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1700 ALMA DRIVE, SUITE 110A

OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

PLANO

TX

75075

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JODI ROSENBERG

(972) 235-8468

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SANVILLE & CO.

(Name - if individual, state last, first, middle name)

1514 OLD YORK ROAD

ABINGTON

PA

SEC

19001

(Address)

(City)

(State)

Mail Processing
Section

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

DEC 27 2019

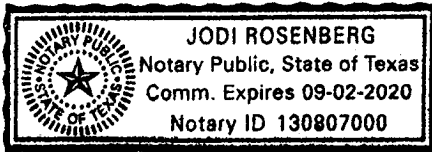
Washington DC
415**FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

RMS

OATH OR AFFIRMATION

I, JEFFREY MANN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DOUGLAS SCOTT SECURITIES, INC., as of OCTOBER 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Jodi Rosenberg
Notary Public

[Signature]
Signature
PRESIDENT
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

SUPPLEMENTAL INFORMATION

DOUGLAS SCOTT SECURITIES

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Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA
MICHAEL T. BARANOWSKY, CPA
JOHN P. TOWNSEND, CPA

1514 OLD YORK ROAD ABINGTON, PA 19001
(215) 884-8460 • (215) 884-8686 FAX

MEMBERS OF
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CERTIFIED PUBLIC ACCOUNTANTS
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100 WALL STREET, 8th FLOOR
NEW YORK, NY 10005
(212) 709-9512

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Sole Director
Douglas Scott Securities, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Douglas Scott Securities, Inc. (the "Company") as of October 31, 2019, the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Basis for Opinion

These financial statements are the responsibility of Douglas Scott Securities Inc.'s management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The Schedule I, Computation of Net Capital Under Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 (exemption) and Schedule III Information Relating to the Possession or Control Requirements Under Rule 15c3-3, all under the Rules of the Securities and Exchange Commission have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Schedule I, Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission, Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 and Schedule III Information Relating to the Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission of the Securities and Exchange Commission are fairly stated, in all material respects, in relation to the financial statements as a whole.



Abington, Pennsylvania
December 23, 2019

This is our initial year as the auditor for the Company

DOUGLAS SCOTT SECURITIES, INC.

Statement of Financial Condition

October 31, 2019

ASSETS

Cash	\$ 54,866
Total Assets	<u>\$ 54,866</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Accrued expenses	\$ 1,977
Total liabilities	<u>1,977</u>

Stockholder's equity:

Common Stock, 100,000 shares authorized with \$.01 par value, 1,000 shares issued and outstanding	10
Additional paid-in capital	20,890
Retained earnings	<u>31,989</u>
Total stockholder's equity	<u>52,889</u>
Total Liabilities and Stockholder's Equity	<u>\$ 54,866</u>

The accompanying notes are an integral part of these financial statements.

DOUGLAS SCOTT SECURITIES, INC.
Statement of Operations
For the Year Ended October 31, 2019

Revenues:

Concession income	\$ 404,374
Reimbursement income	195,544
Interest income	<u>24</u>
Total revenue	<u>599,942</u>

Expenses:

Salaries and compensation	509,460
Communications	5,106
Occupancy and equipment costs	3,918
Regulatory fees and expenses	29,212
Professional fees	18,500
Other expenses	<u>4,123</u>

Total expenses	<u>570,319</u>
----------------	----------------

Net income before taxes	29,623
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Provision for income taxes	<u>-</u>
----------------------------	----------

Net Income	<u><u>\$ 29,623</u></u>
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The accompanying notes are an integral part of these financial statements.

DOUGLAS SCOTT SECURITIES, INC.
Statement of Changes in Stockholder's Equity
For the Year Ended October 31, 2019

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balances at October 31, 2018	\$ 10	\$ 20,890	\$ 2,366	\$ 23,266
Net Income			29,623	29,623
Balances at October 31, 2019	<u>\$ 10</u>	<u>\$ 20,890</u>	<u>\$ 31,989</u>	<u>\$ 52,889</u>

The accompanying notes are an integral part of these financial statements.

DOUGLAS SCOTT SECURITIES, INC.

Statement of Cash Flows

For the Year Ended October 31, 2019

Cash Flows from Operating Activities

Net income	\$ 29,623
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Decrease in advances to employees	6,300
Decrease in accrued expenses	(109)
	<hr/>
Net cash provided by operating activities	35,814

Cash Flows from Investing Activities

-

Cash Flows from Financing Activities

-

Net increase in cash	35,814
Beginning cash	19,052
	<hr/>
Ending cash	\$ 54,866

Supplemental Disclosures

There was no cash paid for income taxes or interest.

The accompanying notes are an integral part of these financial statements.

DOUGLAS SCOTT SECURITIES, INC.
Notes to the Financial Statements
October 31, 2019

Note 1 – Summary of Significant Accounting Policies

Douglas Scott Securities, Inc., (the "Company"), is a direct participation broker-dealer registered with the Securities and Exchange Commission under ("SEC") Rule 15c3-3(k)(2)(i) and is a member of the Financial Industry Regulatory Authority ("FINRA"). All of the Company's concession income is generated through the sale of oil and gas energy development programs for Hill Country Exploration, Inc., ("Affiliate"). The Company's customers are located throughout the United States.

Revenue Recognition

Concession income is recognized when minimum offering investment requirements are met and escrowed funds are released to the issuer. Related commission expense is recognized when related concession income is recognized.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of assets and liabilities for financial and income tax reporting. Deferred tax assets and liabilities represent future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income, subject to a valuation allowance.

The State of Texas requires enterprises to pay a tax based on their taxable margin. The taxable margin is the lesser of: (a) 70% of revenue or, (b) 100% of revenue less (i) the cost of goods sold or (ii) compensation. Such tax is considered to be a state income tax for financial reporting purpose.

Tax benefits associated with uncertain tax positions are recognized in the period in which one of the following conditions is satisfied: (1) the more likely than not recognition threshold is satisfied; (2) the position is ultimately settled through negation of litigation; or (3) the statute of limitations for the taxing authority to examine and challenge the position has expired. Tax benefits associated with an uncertain tax position are derecognized in the period in which the more likely than not recognition threshold is no longer satisfied. Any potential interest and penalty associated with tax contingency, should one arise, would be included as a component of income tax expense in the period in which the assessment arises.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DOUGLAS SCOTT SECURITIES, INC.

Notes to the Financial Statements

October 31, 2019

Note 2 – Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At October 31, 2018, the Company had net capital of approximately \$52,889, and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.04 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 – Income Taxes

The components of the provision (benefit) for income taxes are as follows:

Current		
Federal	\$	--
State		--
Total Current		<u>--</u>
Deferred		
Federal		--
State		--
Total Deferred		<u>--</u>
Net Current and Deferred Tax Expense	\$	<u>--</u>

Net operating losses incurred in prior years that may be used to offset future federal taxable income expire as follows:

<u>Year Expiring</u>	
2036	18,373
2038	<u>5,324</u>
	<u>23,697</u>

Significant components of the Company's deferred tax assets are as follows:

Deferred tax assets:	
Net operating losses	4,976
Less: valuation allowance	<u>(4,976)</u>
	<u>--</u>

DOUGLAS SCOTT SECURITIES, INC.
Notes to the Financial Statements
October 31, 2019

Note 3 – Income Taxes, continued

The Company has established a valuation allowance for uncertainties regarding the realization of net deferred tax assets. The valuation allowance decreased \$6,335 during the year ended October 31, 2019. The change in valuation allowance is due to income earned during the year that was offset by the Company's net loss carryforward. The difference between the provision for income taxes and the amount that would result from applying the Federal statutory tax rate to income before provision for income taxes is primarily due to state taxes, nondeductible items, and deferred tax assets not benefited.

Note 4 – Related Party Transactions

All concession income for the year ended October 31, 2019 was earned from sales of partnership interest in programs sponsored by an Affiliate. The Company also has an expense sharing agreement with this Affiliate whereby it provides office space and incurs certain general and administrative expenses for the benefit of the Company. The Company reports these expenses and related reimbursement income in the statement of income.

As described in the preceding paragraph, the Company is economically dependent on an Affiliate. The Company's financial position and results of operations could be significantly different if the Company was independent of its Affiliate.

Supplemental Information
Pursuant to Rule 17a-5 of the
Securities and Exchange Act of 1934
As of
October 31, 2019

Schedule I

DOUGLAS SCOTT SECURITIES, INC.
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of October 31, 2019

Computation of Net Capital

Total stockholder's equity qualified for net capital	\$ 52,889
Add:	
Other deductions or allowable credits	<u> </u>
Total capital and allowable subordinated liabilities	<u>52,889</u>
Deductions and/or charges	
Non-allowable assets:	
Net capital before haircuts on securities positions	52,889
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f)):	<u> </u>
Net capital	<u>\$ 52,889</u>

Aggregate Indebtedness

Items included in statement of financial condition	
Accrued Liabilities	<u>\$ 1,977</u>
Total aggregate indebtedness	<u>\$ 1,977</u>

The accompanying notes are an integral part of these financial statements.

Schedule I (continued)

DOUGLAS SCOTT SECURITIES, INC.
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of October 31, 2019

Computation of Basic Net Capital Requirement

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 132</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 5,000</u>
Net capital in excess of minimum required	<u>\$ 47,889</u>
Net capital less greater of 10% of aggregate indebtedness or 120% of the minimum dollar net capital requirement	<u>\$ 46,889</u>
Ratio: Aggregate indebtedness to net capital	<u>0.04 to 1</u>

Reconciliation with Company's Computation

There were no material differences in the computation of net capital under Rule 15c3-1 from the Company's unaudited Focus II-A Report.

The accompanying notes are an integral part of these financial statements.

Schedule II

DOUGLAS SCOTT SECURITIES INC.

Computation for Determination of Reserve Requirements Under

Rule 15c3-3 of the Securities and Exchange Commission

As of October 31, 2019

Exemptive Provisions

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(i), in which the Company is a direct participation broker-dealer.

The accompanying notes are an integral part of these financial statements.

Schedule III

DOUGLAS SCOTT SECURITIES INC.

Information Relating to the Possession or Control Requirements

Under Rule 15c3-3 of the Securities and Exchange Commission

As of October 31, 2019

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

The accompanying notes are an integral part of these financial statements.

Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL T. BARANOWSKY, CPA
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(212) 709-9512

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Sole Director
Douglas Scott Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Douglas Scott Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Douglas Scott Securities Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the exemption provisions) and (2) Douglas Scott Securities Inc. stated that Douglas Scott Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Douglas Scott Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Douglas Scott Securities Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Sanville & Company

Abington, Philadelphia
December 23, 2019

Douglas Scott Securities Inc.'s Exemption Report

Douglas Scott Securities, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

1. The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k): (2)(i).
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

Douglas Scott Securities, Inc.

I, Jeffrey D. Mann, swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

By: 

Title: 

Date: 12/13/19

Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA
MICHAEL T. BARANOWSKY, CPA
JOHN P. TOWNSEND, CPA

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(212) 709-9512

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To the Sole Director
Douglas Scott Securities, Inc.

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below and were agreed to by Douglas Scott Securities, Inc. (the "Company") and the SIPC, solely to assist you and SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended October 31, 2019. The Company's management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended October 31, 2019 with the Total Revenue amount reported in Form SIPC-7 for the year ended October 31, 2019, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the Form SIPC-7 for the year ended October 31, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.



Abington, Pennsylvania

December 23, 2019

SIPC-7

(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation**SIPC-7**

(36-REV 12/18)

For the fiscal year ended **10/31/19**

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

8-48506 FINRA OCT 11/01/1995
 DOUGLAS SCOTT SECURITIES INC
 1700 ALMA DR STE 110A
 PLANO, TX 75075

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

JODI ROSENBERG 972.235.8468

WORKING COPY

2. A. General Assessment (item 2e from page 2)

\$0.00

B. Less payment made with SIPC-6 filed (exclude interest)

(0.00)

Date Paid

C. Less prior overpayment applied

(669.55)

D. Assessment balance due or (overpayment)

0.00

E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$0.00

G. PAYMENT: ☒ the boxCheck mailed to P.O. Box ☐ Funds Wired ☐ ACH ☐

Total (must be same as F above)

\$ (669.55)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

JODI ROSENBERG

(Name of Corporation, Partnership or other organization)

Jodi Rosenberg

(Authorized Signature)

CHIEF COMPLIANCE OFFICER

(Title)

Dated the 19TH day of DECEMBER, 2019

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 11/01/2018
and ending 10/31/2019

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$599,942

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

599,942

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

ALL OIL & GAS DPP RELATED REVENUES

599,942

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ _____

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ _____

Enter the greater of line (i) or (ii)

Total deductions

\$ 24.00

2d. SIPC Net Operating Revenues

\$ 0.00

2e. General Assessment @ .0015

(to page 1, line 2.A.)